



Public Works Commission Meeting

**Water Supply Fee Update
December 12, 2018**



Background

- The Water Supply Fee is determined based on the estimated cost to develop an annual water supply to serve new development.
- The estimated cost to develop new water supplies is \$26,420 per acre-foot per year.
- A credit may be appropriate for reductions in the amount of annual water demand resulting from extraordinary efforts of the developer or owner to permanently reduce water use.
- The amount of the credit should be based on the reduction in the projected annual water demand expressed in acre feet per year times \$26,420.



Fee Credit Examples

New Single Family Residence

- The Water Supply Fees for a new Single-Family Residence with a one-inch meter for indoor water service and a separate one-inch meter for outdoor water service is **\$8,719 for each meter** based on estimated annual water demand of 0.33 acre-foot per year for both indoor and outdoor uses.
- If the developer or owner of a proposed new single-family residence installed systems to permanently reduce projected annual water demand to 0.25 acre-feet per year for both indoor and outdoor uses, **Water Supply Fee for two meters serving indoor and outdoor, could be reduced to \$6,605 for each meter, a credit of \$2,114 for each meter.**



Fee Credit Examples

Redevelopment of Residential Projects

- The Water Supply Fee for redevelopment of **Residential Projects** that do not require a water meter upgrade is based on square footage added to the residence. The indoor water usage for a single-family residence is 0.33 acre-foot per year. The Water Supply Fee for expansions that do not require a meter upgrade is **\$1.74 / square foot**.
- If the owner of an existing single-family residence installed systems to permanently reduce projected annual water demand to 0.25 acre-feet per year for either indoor and outdoor uses, the Water Supply Fee for expansions that do not require a meter upgrade could be reduced to **\$1.32 per square foot** a credit of \$0.42 per square foot.
- For an expansion of 1,500 square feet, Water Supply Fee could be reduced to \$1,980 a reduction of \$630 from the Water Supply Fee of \$2,610.



Fee Credit Examples

New Development Projects

- For New Development Projects, that require a new meter, the Water Supply Fee is determined based on meter capacity factors for each size of meter. The meter capacity factors are used to estimate the annual water demand for each meter size and determine the Water Supply Fee applicable to each meter size.
- For example, a 4-inch meter is projected to have an annual water demand of 3.3 acre-feet per year and the Water Supply Fee for a 4-inch meter is \$87,190.
- If the developer or owner of a proposed new development requiring a 4-inch meter, installed systems to permanently reduce projected annual water demand to 3.0 acre-feet per year, the Water Supply Fee could be reduced to \$79,264 a reduction of \$7,926.



Recommendations

Option 1

Approve the Proposed Updated Water Supply Fee, approve an exemption of Water Supply Fees to irrigation meters, and approve offsets (credits in the Water Supply Fee) for installation of water conservation features in the project.

Option 2

Approve as in Option 1, without provisions for offsets (credits) in the calculated Water Supply Fee.

STAFF RECOMMENDATION

Staff recommends approval of Option 1.